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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

\* 2/18

OMB APPROVAL	
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**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2010 AND ENDING 12/31/2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Centennial Asset Management Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

6803 South Tucson Way

(No. and Street)

Centennial

(City)

CO

(State)

80112-3924

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Tim Abbuhl

(303) 768-2896

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KPMG LLP

(Name - if individual, state last, first, middle name)

707 Seventeenth Street, Suite 2700 Denver, CO 80202-3499

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

## OATH OR AFFIRMATION

I, Tim Abbuhl, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Centennial Asset Management Corporation, as of December 31, 20 10, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

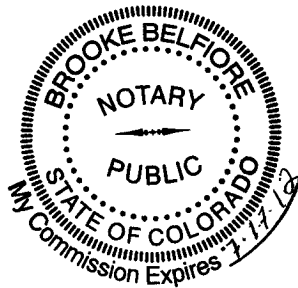
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\_\_\_\_\_

State of CO, County of Adams  
Signed before me on this 26<sup>th</sup> day  
of Jan, 2011 by \_\_\_\_\_  
Notary Public \_\_\_\_\_

Tim Abbuhl  
Signature  
Vice President and Treasurer  
Title

Brooke Belfiore  
Notary Public



This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**CENTENNIAL ASSET MANAGEMENT CORPORATION**  
(A Wholly Owned Subsidiary of OppenheimerFunds, Inc.)

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## **Independent Auditors' Report**

The Board of Directors  
Centennial Asset Management Corporation:

We have audited the accompanying statement of financial condition of Centennial Asset Management Corporation (a wholly owned subsidiary of OppenheimerFunds, Inc.) (the Company) as of December 31, 2010 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Centennial Asset Management Corporation (a wholly owned subsidiary of OppenheimerFunds, Inc.) as of December 31, 2010 in conformity with U.S. generally accepted accounting principles.

*KPMG LLP*  
**KPMG LLP**

Denver, Colorado  
February 4, 2011

**CENTENNIAL ASSET MANAGEMENT CORPORATION**  
(A Wholly Owned Subsidiary of OppenheimerFunds, Inc.)

Statement of Financial Condition

December 31, 2010

(Dollars in thousands)

**Assets**

Cash equivalents	\$ 6,613
Deferred income taxes	<u>167</u>
Total assets	<u><u>\$ 6,780</u></u>

**Liabilities and Shareholder's Equity**

**Liabilities:**

Accounts payable and accrued expenses	\$ 9
Income taxes payable	<u>508</u>
Total liabilities	<u>517</u>

**Shareholder's equity:**

Preferred stock – nonvoting; \$5 par and liquidation value. Authorized 60,000 shares; issued and outstanding 2,200 shares	11
Class A common stock – voting; no par value. Authorized 120,000 shares; issued and outstanding 24,010 shares	24
Class B common stock – nonvoting; no par value. Authorized 120,000 shares; issued and outstanding 26,490 shares	36
Additional paid-in capital	4,904
Retained earnings	<u>1,288</u>
Total shareholder's equity	<u>6,263</u>
Total liabilities and shareholder's equity	<u><u>\$ 6,780</u></u>

See accompanying notes to statement of financial condition.

**CENTENNIAL ASSET MANAGEMENT CORPORATION**  
(A Wholly Owned Subsidiary of OppenheimerFunds, Inc.)

Notes to Statement of Financial Condition

December 31, 2010

(Dollars in thousands)

**(1) The Company and Its Significant Accounting Policies**

Centennial Asset Management Corporation (the Company), a Delaware corporation, currently has no operations. The Company is a wholly owned subsidiary of OppenheimerFunds, Inc. (OFI or Parent), which is a wholly owned subsidiary of Oppenheimer Acquisition Corporation (OAC), which is ultimately controlled by Massachusetts Mutual Life Insurance Company (Mass Mutual). The Company is registered as a broker/dealer under the Securities Exchange Act of 1934.

Prior to 2010, the Company served as investment adviser and distributor for the Centennial group of money market mutual funds (Centennial funds). In 2009, the Centennial funds' board of trustees approved the closing of the Centennial funds, and therefore, the Company had no assets under management in 2010. The Company terminated its registration as an investment adviser under the Investment Advisers Act of 1940 in 2010. The Company is in the process of evaluating whether to terminate its broker/dealer registration.

**(a) Cash Equivalents**

Investments in money market mutual funds are considered cash equivalents.

**(b) Fair Value of Financial Instruments**

The Company's financial instruments include cash equivalents and accounts payable. The carrying value of the Company's cash equivalents and accounts payable approximate their fair values due to their short-term nature.

**(c) Income Taxes**

Income taxes due to governmental taxing authorities are based on the Company's best estimate of its current and deferred tax liabilities. Deferred income taxes are provided for temporary differences that exist between financial reporting and tax bases of assets and liabilities.

The Company is included in a consolidated U.S. federal income tax return with Mass Mutual and Mass Mutual's eligible U.S. subsidiaries. The Company also files income tax returns in various states. The Company, Mass Mutual, and Mass Mutual's eligible subsidiaries and certain affiliates (the Parties) have executed and are subject to a written tax allocation agreement (the Agreement). The Agreement sets forth the manner in which the total combined federal income tax is allocated among the Parties. The Agreement provides the Company with the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur. Further, the Agreement provides the Company with the enforceable right to utilize its net losses carried forward as an offset to future net income subject to federal income taxes.

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets as of December 31, 2010 was the benefit associated with reserves for uncertain tax positions of \$167.

**CENTENNIAL ASSET MANAGEMENT CORPORATION**  
(A Wholly Owned Subsidiary of OppenheimerFunds, Inc.)

Notes to Statement of Financial Condition

December 31, 2010

(Dollars in thousands)

As of December 31, 2010, excluding liabilities related to uncertain tax positions, \$6 was payable to various state taxing authorities for state income taxes and \$8 was payable to Mass Mutual for consolidated federal income taxes.

Companies generally are required to disclose uncertain tax positions, in order to provide users of financial statements more information regarding potential liabilities. A reconciliation of the Company's beginning and ending liability for uncertain tax positions is as follows:

Balance at January 1, 2010	\$ 474
Gross increases – tax positions in prior periods	<u>20</u>
Balance at December 31, 2010	<u><u>\$ 494</u></u>

As of December 31, 2010, the Company's liability for interest and penalties was \$63.

Tax returns filed in previous years are subject to audit by various federal and state taxing authorities, and as a result of such audits, additional tax assessments may be proposed. The following tax years remain open to income tax examination for each of the more significant jurisdictions where the Company is subject to income taxes: tax years 2006 and later remain open to U.S. federal income tax examination, tax years after 1999 remain open to income tax examination in New York State and New York City, and tax years after 1996 remain open to income tax examination in Colorado.

Based on current information available, the Company does not anticipate the total amount of uncertain tax positions to significantly increase or decrease within the next twelve months.

**(d) Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

**(2) Related Parties**

Several officers and directors of the Company were also shareholders of OAC.

**CENTENNIAL ASSET MANAGEMENT CORPORATION**  
(A Wholly Owned Subsidiary of OppenheimerFunds, Inc.)

Notes to Statement of Financial Condition

December 31, 2010

(Dollars in thousands)

**(3) Shareholder's Equity**

The following table summarizes the various series and classes of preferred stock that are authorized, issued, and outstanding as of December 31, 2010:

	Shares		Amount
	Authorized	Issued and outstanding	
Preferred stock – nonvoting; \$5 par value:			
Series A	6,000	1,000	\$ 5.0
Series B	6,000	100	0.5
Series C	6,000	1,000	5.0
Series D	6,000	100	0.5
Series E through J	36,000	—	—
	<u>60,000</u>	<u>2,200</u>	<u>\$ 11.0</u>

In the event of dissolution or liquidation, the preferred shareholder is entitled to receive the liquidation value of \$5 per share before any distributions are made to the common shareholder, in addition to any dividend declared but unpaid on any of the preferred stock.

**(4) Net Capital Requirement**

As a broker/dealer registered with the Securities and Exchange Commission, the Company is required to maintain minimum net capital, as defined in Rule 15c3-1 of the Securities Exchange Act of 1934. The Company computes its net capital using the alternative standard appearing in paragraph (a)(1)(ii) of the Rule. Under this method, minimum capital is \$250. At December 31, 2010, the Company had net capital of \$5,964 which exceeded requirements by \$5,714.

**(5) Subsequent Events**

The Company evaluated subsequent events through February 4, 2011, which is the date the statement of financial condition was available to be issued. There were no significant subsequent events that would require adjustments to or disclosure in the statement of financial condition.



## **Supplemental Report on Internal Control**

The Board of Directors  
Centennial Asset Management Corporation:

In planning and performing our audit of the statement of financial condition of Centennial Asset Management Corporation (a wholly owned subsidiary of OppenheimerFunds, Inc.) (the Company), as of December 31, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement of financial condition, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of statement of financial condition in conformity with U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*  
KPMG LLP

Denver, Colorado  
February 4, 2011



**CENTENNIAL ASSET MANAGEMENT CORPORATION**  
(A Wholly Owned Subsidiary of OppenheimerFunds, Inc.)

Statement of Financial Condition

December 31, 2010

(With Independent Auditors' Report and  
Supplemental Report on Internal Control Thereon)

Filed in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934 as a public document.